

TRANSPORTATION FINANCE AMENDMENTS

2008 SECOND SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca D. Lockhart

Senate Sponsor: Carlene M. Walker

LONG TITLE

General Description:

This bill modifies the Sales and Use Tax Act by amending provisions relating to transportation funding.

Highlighted Provisions:

This bill:

- ▶ for the fiscal year 2008-09 only, reduces the amount of sales and use tax revenue that is deposited into the Critical Highway Needs Fund from \$90,000,000 to \$55,000,000; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

AMENDS:

9-4-1409, as enacted by Laws of Utah 2008, Chapter 192

59-12-103 (Superseded 01/01/09), as last amended by Laws of Utah 2008, Chapters 7, 192, and 286

59-12-103 (Effective 01/01/09), as last amended by Laws of Utah 2008, Chapters 7, 192, 286, 384, and 389

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **9-4-1409** is amended to read:

9-4-1409. Qualified Emergency Food Agencies Fund -- Expenditure of revenues.

(1) As used in this section:

(a) "Association of governments" means the following created under the authority of Title 11, Chapter 13, Interlocal Cooperation Act:

(i) an association of governments; or

(ii) a regional council that acts as an association of governments.

(b) "Consumer price index" is as described in Section 1(f)(4), Internal Revenue Code, and defined in Section 1(f)(5), Internal Revenue Code.

(c) "Food and food ingredients" is as defined in Section 59-12-102.

(d) "Pounds of food donated" means the aggregate number of pounds of food and food ingredients that are donated:

(i) to a qualified emergency food agency; and

(ii) by a person, other than an organization that as part of its activities operates a program that has as the program's primary purpose to:

(A) warehouse and distribute food to other agencies and organizations providing food and food ingredients to low-income persons; or

(B) provide food and food ingredients directly to low-income persons.

(e) "Qualified emergency food agency" means an organization that:

(i) is:

(A) exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code; or

(B) an association of governments;

(ii) as part of its activities operates a program that has as the program's primary purpose to:

(A) warehouse and distribute food to other agencies and organizations providing food and food ingredients to low-income persons; or

(B) provide food and food ingredients directly to low-income persons; and

(iii) the office determines to be a qualified emergency food agency.

(2) There is created a restricted special revenue fund known as the Qualified Emergency Food Agencies Fund.

(3) (a) The Qualified Emergency Food Agencies Fund shall be funded by the state sales and use tax revenues described in [~~Subsection 59-12-103(11)~~] Section 59-12-103.

(b) Any interest earned on the Qualified Emergency Food Agencies Fund shall be deposited into the General Fund.

(4) The office shall for a fiscal year distribute monies deposited into the Qualified Emergency Food Agencies Fund to qualified emergency food agencies within the state as provided in this section.

(5) A qualified emergency food agency shall file an application with the office before the qualified emergency food agency may receive a distribution under this section.

(6) Except as provided in Subsection (7), the office shall for a fiscal year distribute to a qualified emergency food agency an amount equal to the product of:

(a) the pounds of food donated to the qualified emergency food agency during that fiscal year; and

(b) \$.12.

(7) If the monies deposited into the Qualified Emergency Food Agencies Fund are insufficient to make the distributions required by Subsection (6), the office shall make distributions to qualified emergency food agencies in the order that the office receives applications from the qualified emergency food agencies until all of the monies deposited into the Qualified Emergency Food Agencies Fund for the fiscal year are expended.

(8) A qualified emergency food agency may expend a distribution received in accordance with this section only for a purpose related to:

(a) warehousing and distributing food and food ingredients to other agencies and organizations providing food and food ingredients to low-income persons; or

(b) providing food and food ingredients directly to low-income persons.

(9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

the Division of Housing and Community Development may make rules providing procedures for implementing the distributions required by this section, including:

(a) standards for determining and verifying the amount of a distribution that a qualified emergency food agency may receive;

(b) procedures for a qualified emergency food agency to apply for a distribution, including the frequency with which a qualified emergency food agency may apply for a distribution; and

(c) consistent with Subsection (1)(e), determining whether an entity is a qualified emergency food agency.

Section 2. Section **59-12-103 (Superseded 01/01/09)** is amended to read:

59-12-103 (Superseded 01/01/09). Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.

(1) A tax is imposed on the purchaser as provided in this part for amounts paid or charged for the following transactions:

(a) retail sales of tangible personal property made within the state;

(b) amounts paid:

(i) to a:

(A) telephone service provider regardless of whether the telephone service provider is municipally or privately owned; or

(B) telegraph corporation:

(I) as defined in Section 54-2-1; and

(II) regardless of whether the telegraph corporation is municipally or privately owned;

and

(ii) for:

(A) telephone service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;

(B) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications

114 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
115 (C) telegraph service;
116 (c) sales of the following for commercial use:
117 (i) gas;
118 (ii) electricity;
119 (iii) heat;
120 (iv) coal;
121 (v) fuel oil; or
122 (vi) other fuels;
123 (d) sales of the following for residential use:
124 (i) gas;
125 (ii) electricity;
126 (iii) heat;
127 (iv) coal;
128 (v) fuel oil; or
129 (vi) other fuels;
130 (e) sales of prepared food;
131 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
132 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
133 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
134 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed
135 circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf,
136 golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
137 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
138 horseback rides, sports activities, or any other amusement, entertainment, recreation,
139 exhibition, cultural, or athletic activity;
140 (g) amounts paid or charged for services for repairs or renovations of tangible personal
141 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

142 (i) the tangible personal property; and
143 (ii) parts used in the repairs or renovations of the tangible personal property described
144 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
145 of that tangible personal property;

146 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
147 assisted cleaning or washing of tangible personal property;

148 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
149 accommodations and services that are regularly rented for less than 30 consecutive days;

150 (j) amounts paid or charged for laundry or dry cleaning services;

151 (k) amounts paid or charged for leases or rentals of tangible personal property if within
152 this state the tangible personal property is:

153 (i) stored;
154 (ii) used; or
155 (iii) otherwise consumed;

156 (l) amounts paid or charged for tangible personal property if within this state the
157 tangible personal property is:

158 (i) stored;
159 (ii) used; or
160 (iii) consumed; and
161 (m) amounts paid or charged for prepaid telephone calling cards.

162 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
163 is imposed on a transaction described in Subsection (1) equal to the sum of:

164 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
165 (A) 4.65%; and
166 (B) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
167 and Use Tax Act, if the location of the transaction as determined under Section 59-12-207 is
168 in a city, town, or the unincorporated area of a county in which the state imposes the tax under
169 Part 20, Supplemental State Sales and Use Tax Act; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on a transaction described in Subsection (1)(d) equal to the sum of:

(i) a state tax imposed on the transaction at a tax rate of 2%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on amounts paid or charged for food and food ingredients equal to the sum of:

(i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.

(d) Except as provided in Subsection (2)(e), if a seller collects a tax in accordance with Subsection 59-12-107(1)(b) on a transaction described in Subsection (1), a state tax and a local tax is imposed on the transaction equal to the sum of:

(i) a state tax imposed on the transaction at a tax rate of:

(A) the sum of:

(I) 4.65% for a transaction other than a transaction described in Subsection (2)(d)(i)(B) or (2)(d)(i)(C); and

(II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Section 59-12-207 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act;

(B) 2% for a transaction described in Subsection (1)(d); or

(C) 1.75% on the amounts paid or charged for food and food ingredients; and

(ii) a local tax imposed on the transaction at a tax rate equal to the sum of the following tax rates:

198 (A) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,
199 and towns in the state impose the tax authorized by Section 59-12-204; and

200 (B) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the
201 state impose the tax authorized by Section 59-12-1102.

202 (e) (i) A state tax and a local tax is imposed on an entire bundled transaction as
203 provided in this Subsection (2)(e) if the bundled transaction is attributable to food and food
204 ingredients and tangible personal property other than food and food ingredients.

205 (ii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by
206 a seller other than a seller that collects a tax in accordance with Subsection 59-12-107(1)(b),
207 beginning on January 1, 2007, a state tax and a local tax is imposed on the entire bundled
208 transaction equal to the sum of:

209 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

210 (I) the tax rate described in Subsection (2)(a)(i)(A); and

211 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
212 and Use Tax Act, if the location of the transaction as determined under Section 59-12-207 is
213 in a city, town, or the unincorporated area of a county in which the state imposes the tax under
214 Part 20, Supplemental State Sales and Use Tax Act; and

215 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
216 described in Subsection (2)(a)(ii).

217 (iii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by
218 a seller in accordance with Subsection 59-12-107(1)(b), beginning on January 1, 2007, a state
219 tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

220 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

221 (I) the tax rate described in Subsection (2)(d)(i)(A); and

222 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
223 and Use Tax Act, if the location of the transaction as determined under Section 59-12-207 is
224 in a city, town, or the unincorporated area of a county in which the state imposes the tax under
225 Part 20, Supplemental State Sales and Use Tax Act; and

(B) a local tax imposed on the entire bundled transaction at a tax rate equal to the sum of the following tax rates:

(I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities, and towns in the state impose the tax authorized by Section 59-12-204; and

(II) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the state impose the tax authorized by Section 59-12-1102.

(f) Subject to Subsections (2)(g) and (h), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:

(i) Subsection (2)(a)(i)(A);

(ii) Subsection (2)(b)(i);

(iii) Subsection (2)(c)(i);

(iv) Subsection (2)(d)(i)(A)(I);

(v) Subsection (2)(e)(ii)(A)(I); or

(vi) Subsection (2)(e)(iii)(A)(I).

(g) (i) For a transaction described in Subsection (2)(g)(iii), a tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:

(A) Subsection (2)(a)(i)(A);

(B) Subsection (2)(b)(i);

(C) Subsection (2)(c)(i);

(D) Subsection (2)(d)(i)(A)(I);

(E) Subsection (2)(e)(ii)(A)(I); or

(F) Subsection (2)(e)(iii)(A)(I).

(ii) For a transaction described in Subsection (2)(g)(iii), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last billing period that began before the effective date of the repeal of the tax or the tax rate decrease if the billing period for the transaction begins before the effective date of the repeal of the tax or the tax rate decrease

254 imposed under:

- 255 (A) Subsection (2)(a)(i)(A);
- 256 (B) Subsection (2)(b)(i);
- 257 (C) Subsection (2)(c)(i);
- 258 (D) Subsection (2)(d)(i)(A)(I);
- 259 (E) Subsection (2)(e)(ii)(A)(I); or
- 260 (F) Subsection (2)(e)(iii)(A)(I).

261 (iii) Subsections (2)(g)(i) and (ii) apply to transactions subject to a tax under:

- 262 (A) Subsection (1)(b);
- 263 (B) Subsection (1)(c);
- 264 (C) Subsection (1)(d);
- 265 (D) Subsection (1)(e);
- 266 (E) Subsection (1)(f);
- 267 (F) Subsection (1)(g);
- 268 (G) Subsection (1)(h);
- 269 (H) Subsection (1)(i);
- 270 (I) Subsection (1)(j); or
- 271 (J) Subsection (1)(k).

272 (h) (i) For a tax rate described in Subsection (2)(h)(ii), if a tax due on a catalogue sale
273 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
274 or change in a tax rate takes effect:

- 275 (A) on the first day of a calendar quarter; and
- 276 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 277 (ii) Subsection (2)(h)(i) applies to the tax rates described in the following:
- 278 (A) Subsection (2)(a)(i)(A);
- 279 (B) Subsection (2)(b)(i);
- 280 (C) Subsection (2)(c)(i);
- 281 (D) Subsection (2)(d)(i)(A)(I);

282 (E) Subsection (2)(e)(ii)(A)(I); or

283 (F) Subsection (2)(e)(iii)(A)(I).

284 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
285 the commission may by rule define the term "catalogue sale."

286 (3) (a) The following state taxes shall be deposited into the General Fund:

287 (i) the tax imposed by Subsection (2)(a)(i)(A);

288 (ii) the tax imposed by Subsection (2)(b)(i);

289 (iii) the tax imposed by Subsection (2)(c)(i);

290 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I);

291 (v) the tax imposed by Subsection (2)(e)(ii)(A)(I); and

292 (vi) the tax imposed by Subsection (2)(e)(iii)(A)(I).

293 (b) The following local taxes shall be distributed to a county, city, or town as provided
294 in this chapter:

295 (i) the tax imposed by Subsection (2)(a)(ii);

296 (ii) the tax imposed by Subsection (2)(b)(ii);

297 (iii) the tax imposed by Subsection (2)(c)(ii); and

298 (iv) the tax imposed by Subsection (2)(e)(ii)(B).

299 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the
300 state shall receive the county's, city's, or town's proportionate share of the revenues generated
301 by the following local taxes as provided in Subsection (3)(c)(ii):

302 (A) the local tax described in Subsection (2)(d)(ii); and

303 (B) the local tax described in Subsection (2)(e)(iii)(B).

304 (ii) For revenues generated by a tax described in Subsection (3)(c)(i), the commission
305 shall determine a county's, city's, or town's proportionate share of the revenues by:

306 (A) calculating an amount equal to the population of the unincorporated area of the
307 county, city, or town divided by the total population of the state; and

308 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total
309 amount of revenues generated by the taxes described in Subsection (3)(c)(i) for all counties,

cities, and towns.

(iii) (A) Except as provided in Subsection (3)(c)(iii)(B), population figures for purposes of this section shall be derived from the most recent official census or census estimate of the United States Census Bureau.

(B) If a needed population estimate is not available from the United States Census Bureau, population figures shall be derived from the estimate from the Utah Population Estimates Committee created by executive order of the governor.

(4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b) through (g):

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

(A) by a 1/16% tax rate on the transactions described in Subsection (1); and

(B) for the fiscal year; or

(ii) \$17,500,000.

(b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount described in Subsection (4)(a) shall be transferred each year as dedicated credits to the Department of Natural Resources to:

(A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to protect sensitive plant and animal species; or

(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

(ii) Money transferred to the Department of Natural Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

(iii) At the end of each fiscal year:

(A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-6.

(d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.

(ii) At the end of each fiscal year:

(A) 50% of any unexpended dedicated credits shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

(ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:

(A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an

area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;

(B) fund state required dam safety improvements; and

(C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.

(f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

(i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;

(ii) develop underground sources of water, including springs and wells; and

(iii) develop surface water sources.

(5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

(ii) \$17,500,000.

(b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

(A) transferred each fiscal year to the Department of Natural Resources as dedicated credits; and

(B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.

(ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and

Development Fund created in Section 73-10-24.

(c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be:

(A) transferred each fiscal year to the Division of Water Resources as dedicated credits; and

(B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.

(ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(d) After making the transfers required by Subsections (5)(b) and (c), 94% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:

(i) preconstruction costs:

(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and

(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;

(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

(e) Any unexpended monies described in Subsection (5)(d) that remain in the Water Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

(f) After making the transfers required by Subsections (5)(b) and (c) and subject to

Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred for employing additional technical staff for the administration of water rights.

(g) At the end of each fiscal year, any unexpended dedicated credits described in Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in the Transportation Fund created by Section 72-2-102.

(7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies, beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable transactions under Subsection (1).

(b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account as determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable transactions under Subsection (1).

(8) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal year 2004-05, the commission shall each year on or before the September 30 immediately following the last day of the fiscal year deposit the difference described in Subsection (8)(b) into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is greater than \$0.

(b) The difference described in Subsection (8)(a) is equal to the difference between:

(i) the total amount of the revenues the commission received from sellers collecting the taxes described in Subsections (2)(d)(i) and (2)(e)(iii)(A) for the fiscal year immediately preceding the September 30 described in Subsection (8)(a); and

(ii) \$7,279,673.

(9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in Subsection (7)(a), and until Subsection (9)(b) applies, for a fiscal year beginning on or after July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

(i) the tax imposed by Subsection (2)(a)(i)(A);

(ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i); and

(iv) the tax imposed by Subsection (2)(e)(ii)(A)(I).

(b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under Subsection (7)(b), when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account as determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

(i) the tax imposed by Subsection (2)(a)(i)(A);

(ii) the tax imposed by Subsection (2)(b)(i);

(iii) the tax imposed by Subsection (2)(c)(i); and

(iv) the tax imposed by Subsection (2)(e)(ii)(A)(I).

(10) (a) Notwithstanding Subsection (3)(a) [~~and until Subsection (10)(b) applies;~~] and for the fiscal year 2008-09 only, the Division of Finance shall [~~annually~~] deposit \$90,000,000] \$55,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

(b) Notwithstanding Subsection (3)(a) and until Subsection (10)(c) applies, for a fiscal year beginning on or after July 1, 2009, the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

~~(b)~~ (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under Subsections (7) and (9), when the general obligation bonds authorized by Section 63B-16-101 have been paid off and the highway projects completed that are included in the prioritized project list under Subsection 72-2-125(4) as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

(11) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2008-09, \$915,000 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

Section 3. Section **59-12-103 (Effective 01/01/09)** is amended to read:

59-12-103 (Effective 01/01/09). Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.

(1) A tax is imposed on the purchaser as provided in this part for amounts paid or charged for the following transactions:

(a) retail sales of tangible personal property made within the state;

(b) amounts paid for:

(i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;

(ii) mobile telecommunications service that originates and terminates within the

506 boundaries of one state only to the extent permitted by the Mobile Telecommunications
507 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

508 (iii) an ancillary service associated with a:

509 (A) telecommunications service described in Subsection (1)(b)(i); or

510 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

511 (c) sales of the following for commercial use:

512 (i) gas;

513 (ii) electricity;

514 (iii) heat;

515 (iv) coal;

516 (v) fuel oil; or

517 (vi) other fuels;

518 (d) sales of the following for residential use:

519 (i) gas;

520 (ii) electricity;

521 (iii) heat;

522 (iv) coal;

523 (v) fuel oil; or

524 (vi) other fuels;

525 (e) sales of prepared food;

526 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or

527 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,

528 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,

529 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed

530 circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf,

531 golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,

532 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,

533 horseback rides, sports activities, or any other amusement, entertainment, recreation,

534 exhibition, cultural, or athletic activity;

535 (g) amounts paid or charged for services for repairs or renovations of tangible personal
536 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

537 (i) the tangible personal property; and

538 (ii) parts used in the repairs or renovations of the tangible personal property described
539 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
540 of that tangible personal property;

541 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
542 assisted cleaning or washing of tangible personal property;

543 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
544 accommodations and services that are regularly rented for less than 30 consecutive days;

545 (j) amounts paid or charged for laundry or dry cleaning services;

546 (k) amounts paid or charged for leases or rentals of tangible personal property if within
547 this state the tangible personal property is:

548 (i) stored;

549 (ii) used; or

550 (iii) otherwise consumed;

551 (l) amounts paid or charged for tangible personal property if within this state the
552 tangible personal property is:

553 (i) stored;

554 (ii) used; or

555 (iii) consumed;

556 (m) amounts paid or charged for prepaid telephone calling cards; and

557 (n) amounts paid or charged for a sale:

558 (i) (A) of a product that:

559 (I) is transferred electronically; and

560 (II) would be subject to a tax under this chapter if the product was transferred in a
561 manner other than electronically; or

562 (B) of a repair or renovation of a product that:

563 (I) is transferred electronically; and

564 (II) would be subject to a tax under this chapter if the product was transferred in a
565 manner other than electronically; and

566 (ii) regardless of whether the sale provides:

567 (A) a right of permanent use of the product; or

568 (B) a right to use the product that is less than a permanent use, including a right:

569 (I) for a definite or specified length of time; and

570 (II) that terminates upon the occurrence of a condition.

571 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
572 is imposed on a transaction described in Subsection (1) equal to the sum of:

573 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

574 (A) 4.70%; and

575 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
576 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
577 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
578 State Sales and Use Tax Act; and

579 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
580 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
581 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
582 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

583 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
584 transaction under this chapter other than this part.

585 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is
586 imposed on a transaction described in Subsection (1)(d) equal to the sum of:

587 (i) a state tax imposed on the transaction at a tax rate of 2%; and

588 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
589 transaction under this chapter other than this part.

(c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on amounts paid or charged for food and food ingredients equal to the sum of:

(i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.

(d) (i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

(A) a state tax imposed on the entire bundled transaction equal to the sum of:

(I) the tax rate described in Subsection (2)(a)(i)(A); and

(II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and

(Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

(B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).

(ii) Subject to Subsection (2)(d)(iii), for a bundled transaction other than a bundled transaction described in Subsection (2)(d)(i):

(A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible

personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise.

(iii) For purposes of Subsection (2)(d)(ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(e) Subject to Subsections (2) (f) and (g), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:

(i) Subsection (2)(a)(i)(A);

(ii) Subsection (2)(b)(i);

(iii) Subsection (2)(c)(i); or

(iv) Subsection (2)(d)(i)(A)(I).

(f) (i) A tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:

(A) Subsection (2)(a)(i)(A);

(B) Subsection (2)(b)(i);

(C) Subsection (2)(c)(i); or

(D) Subsection (2)(d)(i)(A)(I).

(ii) The repeal of a tax or a tax rate decrease shall take effect on the first day of the last

646 billing period that began before the effective date of the repeal of the tax or the tax rate
647 decrease if the billing period for the transaction begins before the effective date of the repeal
648 of the tax or the tax rate decrease imposed under:

649 (A) Subsection (2)(a)(i)(A);

650 (B) Subsection (2)(b)(i);

651 (C) Subsection (2)(c)(i); or

652 (D) Subsection (2)(d)(i)(A)(I).

653 (g) (i) For a tax rate described in Subsection (2) (g)(ii), if a tax due on a catalogue sale
654 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
655 or change in a tax rate takes effect:

656 (A) on the first day of a calendar quarter; and

657 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

658 (ii) Subsection (2) (g)(i) applies to the tax rates described in the following:

659 (A) Subsection (2)(a)(i)(A);

660 (B) Subsection (2)(b)(i);

661 (C) Subsection (2)(c)(i); or

662 (D) Subsection (2)(d)(i)(A)(I).

663 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
664 the commission may by rule define the term "catalogue sale."

665 (3) (a) The following state taxes shall be deposited into the General Fund:

666 (i) the tax imposed by Subsection (2)(a)(i)(A);

667 (ii) the tax imposed by Subsection (2)(b)(i);

668 (iii) the tax imposed by Subsection (2)(c)(i); or

669 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

670 (b) The following local taxes shall be distributed to a county, city, or town as provided
671 in this chapter:

672 (i) the tax imposed by Subsection (2)(a)(ii);

673 (ii) the tax imposed by Subsection (2)(b)(ii);

674 (iii) the tax imposed by Subsection (2)(c)(ii); and

675 (iv) the tax imposed by Subsection (2)(d)(i)(B).

676 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July
677 1, 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
678 through (g):

679 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

680 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

681 (B) for the fiscal year; or

682 (ii) \$17,500,000.

683 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
684 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
685 Department of Natural Resources to:

686 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to
687 protect sensitive plant and animal species; or

688 (B) award grants, up to the amount authorized by the Legislature in an appropriations
689 act, to political subdivisions of the state to implement the measures described in Subsections
690 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

691 (ii) Money transferred to the Department of Natural Resources under Subsection
692 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
693 person to list or attempt to have listed a species as threatened or endangered under the
694 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

695 (iii) At the end of each fiscal year:

696 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
697 Conservation and Development Fund created in Section 73-10-24;

698 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
699 Program Subaccount created in Section 73-10c-5; and

700 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
701 Program Subaccount created in Section 73-10c-5.

(c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-6.

(d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.

(ii) At the end of each fiscal year:

(A) 50% of any unexpended dedicated credits shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

(ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:

(A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;

(B) fund state required dam safety improvements; and

(C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.

(f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

(i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;

(ii) develop underground sources of water, including springs and wells; and

(iii) develop surface water sources.

(5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

(ii) \$17,500,000.

(b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

(A) transferred each fiscal year to the Department of Natural Resources as dedicated credits; and

(B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.

(ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be:

(A) transferred each fiscal year to the Division of Water Resources as dedicated credits; and

(B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.

(ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(d) After making the transfers required by Subsections (5)(b) and (c), 94% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:

(i) preconstruction costs:

(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and

(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;

(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

(e) Any unexpended monies described in Subsection (5)(d) that remain in the Water Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

(f) After making the transfers required by Subsections (5)(b) and (c) and subject to Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred for employing additional technical staff for the administration of water rights.

(g) At the end of each fiscal year, any unexpended dedicated credits described in Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development

786 Fund created in Section 73-10-24.

787 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
788 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a
789 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be
790 deposited in the Transportation Fund created by Section 72-2-102.

791 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,
792 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
793 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
794 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
795 transactions under Subsection (1).

796 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
797 have been paid off and the highway projects completed that are intended to be paid from
798 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
799 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
800 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
801 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
802 by a 1/64% tax rate on the taxable transactions under Subsection (1).

803 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
804 Subsection (7)(a), and until Subsection (8)(b) applies, for a fiscal year beginning on or after
805 July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund
806 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection
807 (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a
808 portion of the approximately 17% of sales and use tax revenues generated annually by the
809 sales and use tax on vehicles and vehicle-related products:

- 810 (i) the tax imposed by Subsection (2)(a)(i)(A);
811 (ii) the tax imposed by Subsection (2)(b)(i);
812 (iii) the tax imposed by Subsection (2)(c)(i); and
813 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

(b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under Subsection (7)(b), when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account as determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

- (i) the tax imposed by Subsection (2)(a)(i)(A);
- (ii) the tax imposed by Subsection (2)(b)(i);
- (iii) the tax imposed by Subsection (2)(c)(i); and
- (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

(9) (a) Notwithstanding Subsection (3)(a) ~~[and until Subsection (9)(b) applies,]~~ and for the fiscal year 2008-09 only, the Division of Finance shall ~~[annually]~~ deposit ~~[\$90,000,000]~~ \$55,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

(b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal year beginning on or after July 1, 2009, the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

~~[(b)]~~ (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101 have been paid off and the highway projects completed that are included in the prioritized project list under Subsection 72-2-125(4) as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

(10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2008-09, \$915,000 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

(11) (a) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(a)(ii), and until Subsection (11)(b) applies, beginning on January 1, 2009, the Division of Finance shall deposit into the Critical Highway Needs Fund created by Section 72-2-125 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1).

(ii) For purposes of Subsection (11)(a)(i), the Division of Finance may not deposit into the Critical Highway Needs Fund any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(e).

(b) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii), and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general obligation bonds authorized by Section 63B-16-101 have been paid off and the highway projects completed that are included in the prioritized project list under Subsection 72-2-125(4) as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the transactions described in Subsection (1).

(ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(e).

(12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the

870 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
871 .025% tax rate on the transactions described in Subsection (1) to be expended to address
872 chokepoints in construction management.

873 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
874 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
875 food ingredients, except for tax revenue generated by a bundled transaction attributable to
876 food and food ingredients and tangible personal property other than food and food ingredients
877 described in Subsection (2)(e).

878 Section 4. **Effective date.**

879 If approved by two-thirds of all the members elected to each house, this bill takes effect
880 upon approval by the governor, or the day following the constitutional time limit of Utah
881 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
882 the date of veto override.